



12 October 2023

Housing Policy Team
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Dear Sir/Madam

Social & Affordable Housing reforms

I refer to the targeted consultation being undertaken by the Department of Planning and Environment on proposed amendments to *State Environmental Planning Policy (Housing)*, referred to as the draft SEPP. The following comments are provided by Council Officers in relation to the proposed in-fill affordable housing provisions.

Temporary Affordable Housing

- The draft SEPP seeks to incentivise the delivery of affordable housing through additional bonus Gross Floor Area (GFA) and building height. Given the substantial value being created by the proposed variation to adopted planning standards, it is unfortunate that the affordable housing being delivered through the mechanism will only be available for a temporary period of 15 years. Affordable housing should be provided in perpetuity, just as the bonus floor space will be granted in perpetuity.

Permanent Affordable Housing

- The *Canada Bay Local Environmental Plan 2013* and the *Canada Bay Affordable Housing Contribution Scheme* require permanent affordable housing to be provided. The affordable housing contribution rates were informed by endorsed government strategies and based on achieving feasible development with acceptable urban design outcomes.

It is important that Cl. 16(1)(b) of the draft SEPP be retained in any instrument that moves forward to ensure that the affordable housing provided under the SEPP is in addition to affordable housing required by another Environmental Planning Instrument (EPI).

Local Standards

- It is also necessary that local standards in EPIs continue to be applied in addition to the in-fill affordable housing bonuses. Any revision to the draft SEPP must retain these protections to ensure that standards protecting public amenity (such as overshadowing controls) are not compromised in the pursuit of affordable housing.

In this regard, various renewal precincts in the City of Canada Bay imposed maximum building heights based on overshadowing constraints. These maximum building heights ensure occupants of surrounding development will receive a minimum standard of amenity in accordance with the requirements of the Apartment Design Guide. It should be acknowledged that any increase to building heights beyond the maximum heights in these renewal precincts will impact upon the amenity of nearby properties.

- The proposed floor space and height bonus is likely to have unintended impacts when applied to multi-unit housing and manor houses. A preferred outcome would be for the proposed bonus height and floor space bonus to only apply to residential flat buildings and shop top housing.
- The proposed bonus floor space and building height incentive should be excluded from areas that have an endorsed master plan that has been given effect through an amendment to a Local Environmental Plan.

Application of Clause 4.6

- Clause 4.6 of the Standard Instrument should not be used to vary the proposed floor space and building height bonus. The 15% of required affordable housing floor space should also not be permitted to be varied through the application of Clause 4.6.

Capital Investment Value

- It is noted with concern that the previous announcement by the Premier of NSW and Minister for Planning and Public Spaces advised that only housing development with a Capital Investment Value (CIV) of over \$75 million would be able to gain access to bonus floor space ratio and building height. The draft SEPP does not reference this threshold, thereby significantly increasing its scope and impact.

The original intent of the reform should be re-instated and only apply to development with a CIV of over \$75 million or wider engagement undertaken consistent with the Department of Planning and Environment's Community Participation Plan.

Additional Floor Space Ratio

- The drafting of Clause 17(2)(b)(ii) in relation to additional floor space ratio is unclear. Is this subclause stating that nominated development with an affordable housing component of less than 50% may achieve the maximum permissible floor space ratio plus 1.0:1? The planning implications of this provision are significant where low scale residential flat buildings are permitted and a relevant authority or Community Housing Provider provides affordable housing.

Cumulative bonuses

- Increasing bonuses under the draft SEPP may lead to perverse planning outcomes in circumstances where existing bonuses under other Environmental Planning Instruments apply.

For example, Council recently reviewed a proposal that sought to rely on bonuses in relation to infrastructure (10%), BASIX (5%) and seniors housing (25%), resulting in a development that exceeded the base Floor Space Ratio by 19,100sqm. The proposed 30% bonus under the draft SEPP would result in 37,927sqm of bonus GFA, which is an extraordinary amount of additional development beyond that originally planned.

Infrastructure

- The scale of the bonus is likely to generate significant interest from the development industry resulting in additional affordable and market housing. This housing will generate a demand for additional infrastructure that is not planned or assumed by local or state governments. It should be acknowledged that high density precincts will accommodate more people than planned and this will require a commensurate increase in infrastructure spending by government.

Should you have any questions in relation to the matters raised in this submission, please contact Paul Dewar, Manager, Strategic Planning on 9911 6402 or paul.dewar@canadabay.nsw.gov.au

Yours sincerely,



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